

Ninety-Seventh Legislature - Second Session - 2002 Committee Statement LB 841

Hearing Date: February 21, 2001

Committee On: Revenue

Introducer(s): (Brashear)

Title: Change income tax, sales and use tax, and homestead exemption provisions

Roll Call Vote – Final Committee Action:

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

Vote Results:

7 Yes Senators Coordsen, Dierks, Hartnett, Landis, Raikes, Redfield

and Wickersham

0 No

1 Present, not voting Senator Janssen

0 Absent

Proponents: Representing:

Senator Kermit Brashear Introducer

Herb Schimek Nebraska State Education Association

Opponents: Representing:

James A. Wilson Himself

Chris Dibbern Nebraska Power Association

Dean Patrick Borcher Creighton University School of Law

Jeff Lake Duncan Aviation

Amy Berg Voices for Children in Nebraska

Clayton Naff Association of NE Community Action Agencies Walter Radcliffe NE Broadcasters, NE Health Care Assn., NE

Realtors Assn., NE Society of CPAs, NE State

Cemetery Assn.

Ron Sedlacek NE Chamber, NE Bankers, NFIB in NE

Vincent Brown American Petroleum Institute

Rita Uldrich Girl Scouts

Loy Todd NE New Car Dealers Association

Gordon Kissel NE Telecom. Bus. Users & West TeleServices

Joe Schuele ALLTEL Communications
Larry Ruth Nebraska Press Association

Walter L. Broer Associated General Contractors of America

Neutral:		
None		

Summary of purpose and/or changes:

LB 841 would have repealed numerous sales tax exemptions, including those for farm machinery, and subscription magazines, and also called for returning food to the sales tax base. The bill extended the sales tax to reach additional services. The base expansion was directed mainly at business inputs like advertising, building cleaning and maintenance, employment and temporary help services, and secretarial and legal services. Among the consumer services to be taxed were repair services and installation labor.

Representing:

The funds raised were to be used to reduce individual income tax rates by about 15 percent and provide a general homestead exemption. The homestead exemption of \$30,000 would have reduced the average homeowner's property taxes by about 41.5 percent.

Explanation of amendments, if any:	
	Senator William R. Wickersham, Chairperson